



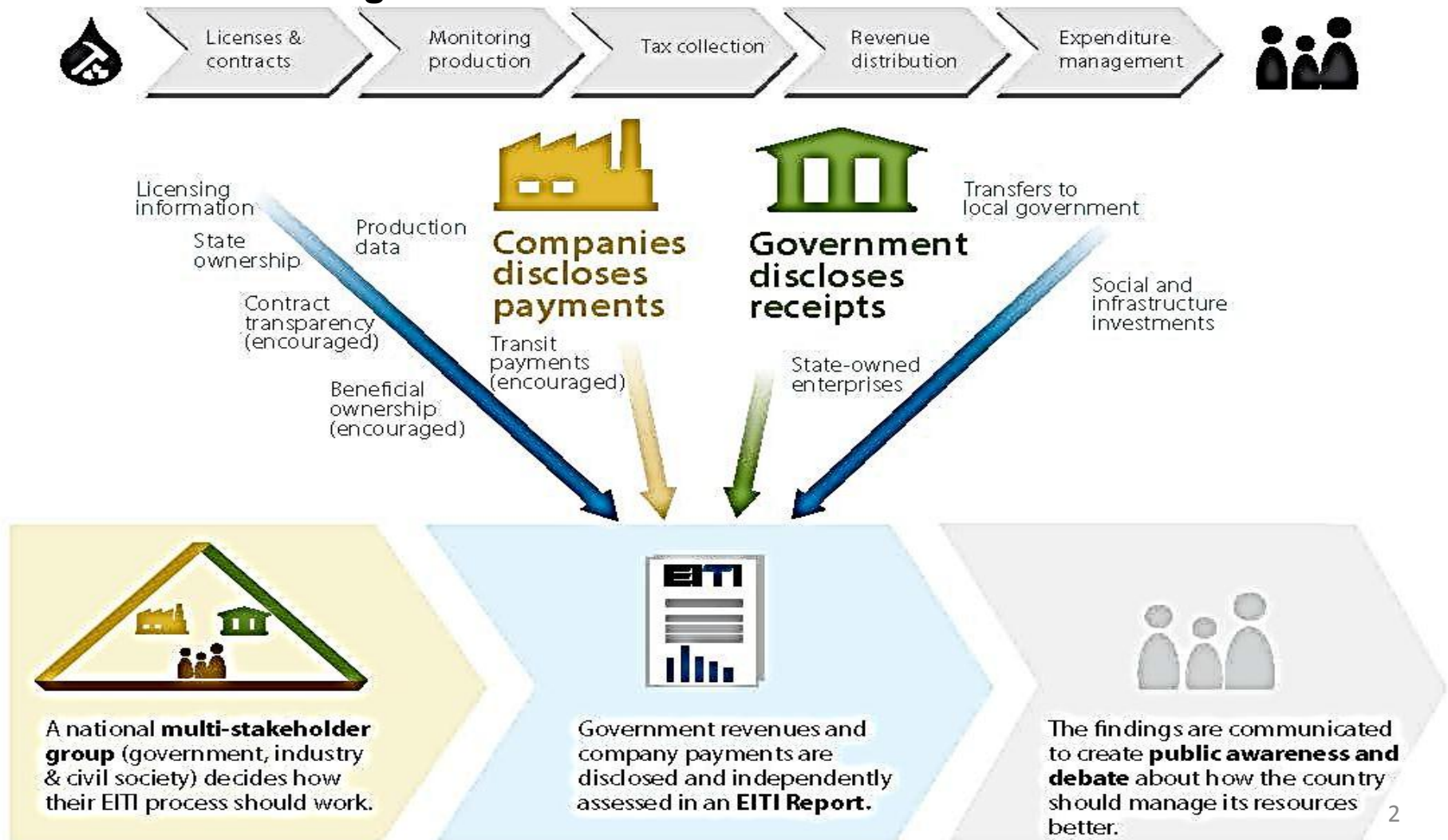
April 3, 2014 Presentation

***IÑUPIAT COMMUNITY of the ARCTIC SLOPE***

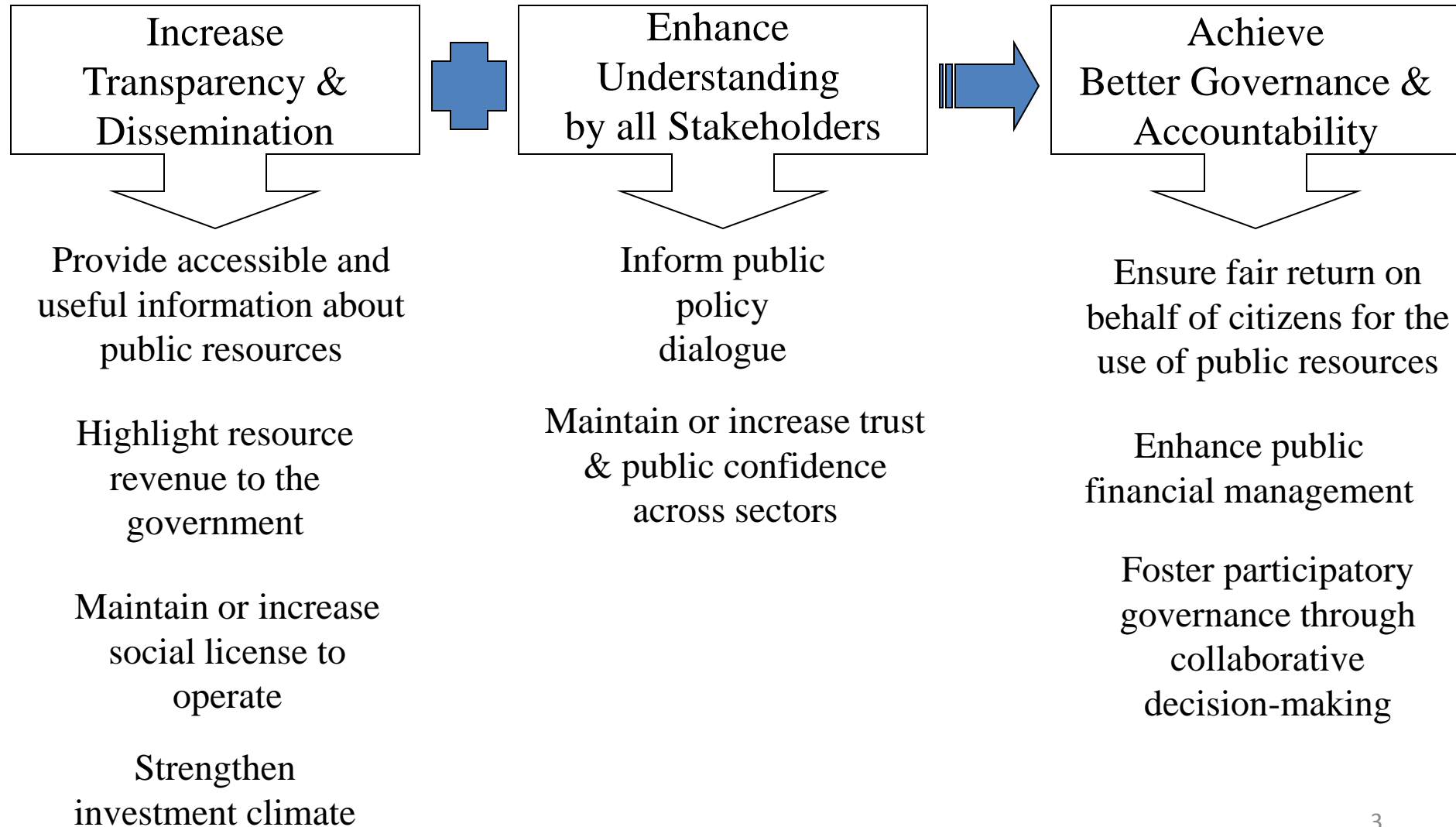


# USEITI The EITI Standard

The Extractive Industries Transparency Initiative, or EITI, is a global standard that promotes revenue transparency and accountability in payments to governments from the extractive sector.



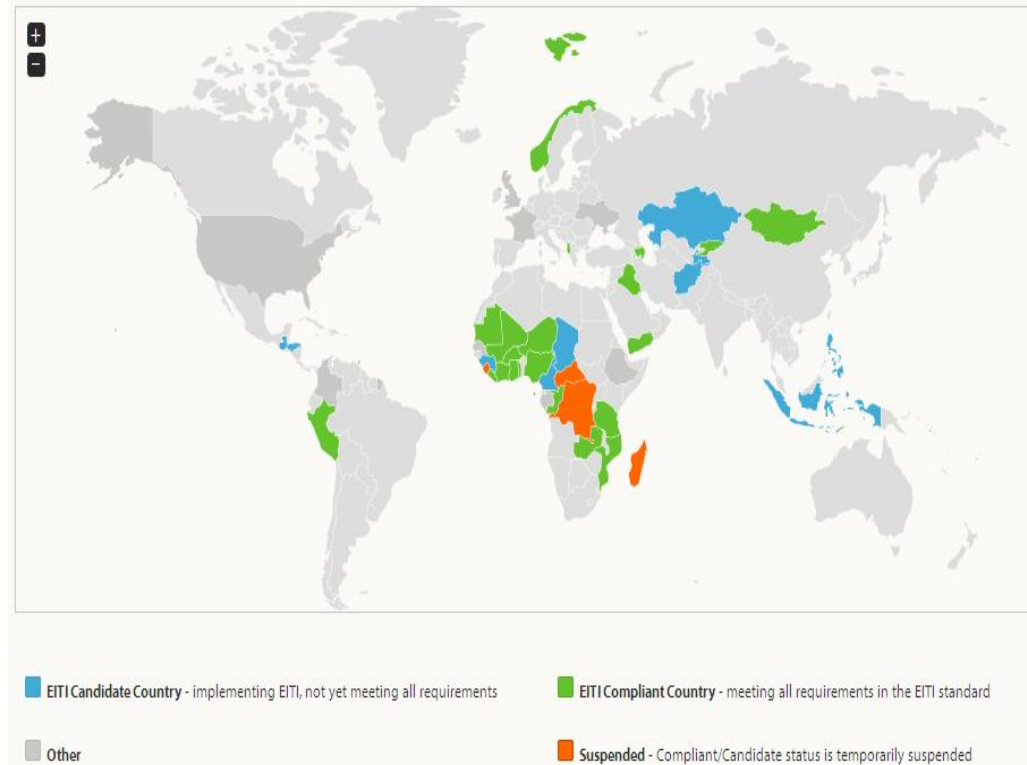






- **16 EITI Candidate Countries:** Afghanistan, Chad, **Democratic Republic of Congo**, Guatemala, Guinea, Honduras, Indonesia, **Madagascar**, São Tomé and Príncipe, Senegal, **Sierra Leone**, Solomon Islands, Tajikistan, The Philippines, Trinidad and Tobago, Ukraine, and **UNITED STATES**
- **25 EITI Compliant Countries:** Albania, Azerbaijan, Burkina Faso, Cameroon, **Central African Republic**, Côte d'Ivoire, Ghana, Iraq, Kazakhstan, Kyrgyz Republic, Liberia, Mali, Mauritania, Mongolia, Mozambique, Niger, Nigeria, Norway, Peru, Republic of Congo, Tanzania, Timor-Leste, Togo, Yemen, and Zambia
- **4 other OECD Countries Recently Announced Their Intention to Implement EITI:** France, \*Germany, Italy, and United Kingdom

EITI Countries



\*Pilot Implementation  
Country is currently suspended

**SIGN-UP → CANDIDACY → COMPLIANCE**

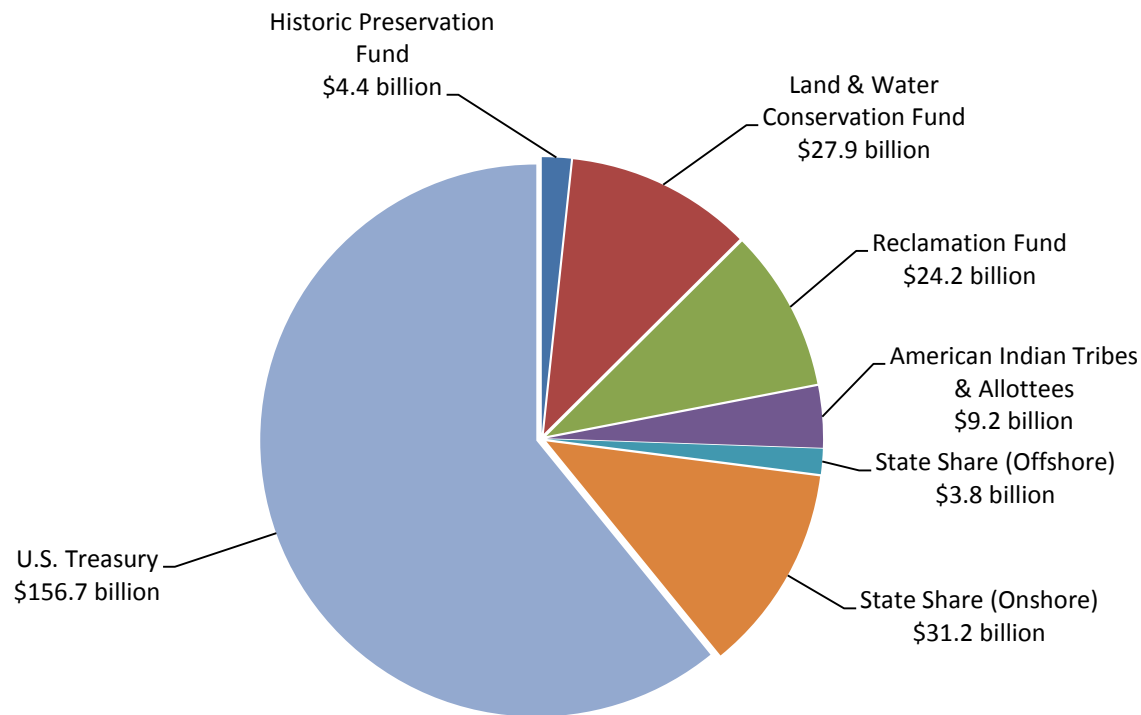


## EITI in the US

- Founded with a focus on the developing world, now being implemented in the developed world.
- U.S. is a top global producer of several extractive resources:<sup>1</sup>
  - # 1 for natural gas
  - # 2 for coal and copper
  - # 3 for gold, steel and oil
  - Top ten for: aluminum, zinc, iron ore, and silver
- EITI will focus on resources extracted from federal lands
- Federal lands contribute:
  - 42% of coal, 31% of oil, and 25% of natural gas produced in the United States<sup>2</sup>
  - \$11.3 billion in revenues collected on behalf of American taxpayers
    - 90% Oil and Gas, 8% Coal, and 2% Other



## Cumulative Mineral Lease Revenue \$257.4 Billion Disbursed (1982 - 2013)



Note: rounding may affect totals

- Since 1982, over \$257 billion in revenues was distributed from onshore and offshore lands to the Nation, states, and American Indians
- The distribution to the U.S. Treasury is one of the Federal government's greatest sources of non-tax income



**21 Members and 20 Alternates, representing a wide range of organizations and stakeholder interests:**

➤ **Civil Society**

- Project on Government Oversight, Revenue Watch, Transparency International
- Earthworks, First Peoples Worldwide, North Star Group, Oceana
- Calvert Investments, Energy Policy Forum, Goldwyn Global Strategies, Research Associates
- United Mineworkers, United Steelworkers
- University of California Los Angeles, Virginia Polytechnic Institute

➤ **Government**

- Departments of Energy, the Interior, Treasury
- State Compact Commissions for Mining, Oil and Gas
- State Government Representatives from California and New Mexico
- Two vacant seats for potential Tribal participation

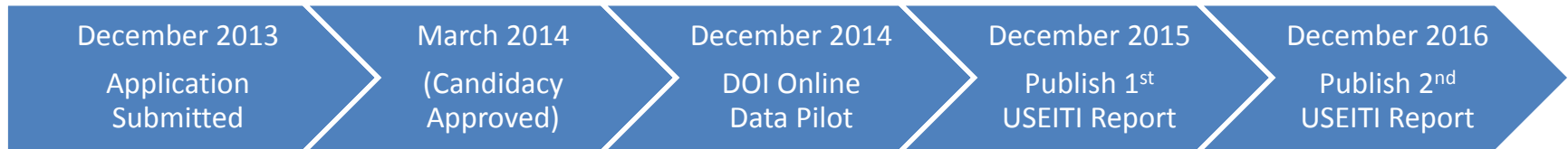
➤ **Industry**

- British Petroleum, Chevron, Conoco-Phillips, Exxon-Mobil, Noble Energy, Shell Oil, Ultra Petroleum, Walter Energy
- Freeport McMoRan Copper & Gold, Newmont Mining, Peabody, Rio Tinto
- American Petroleum Institute, Council of Petroleum Accountants Societies, Independent Petroleum Association of America, National Mining Association

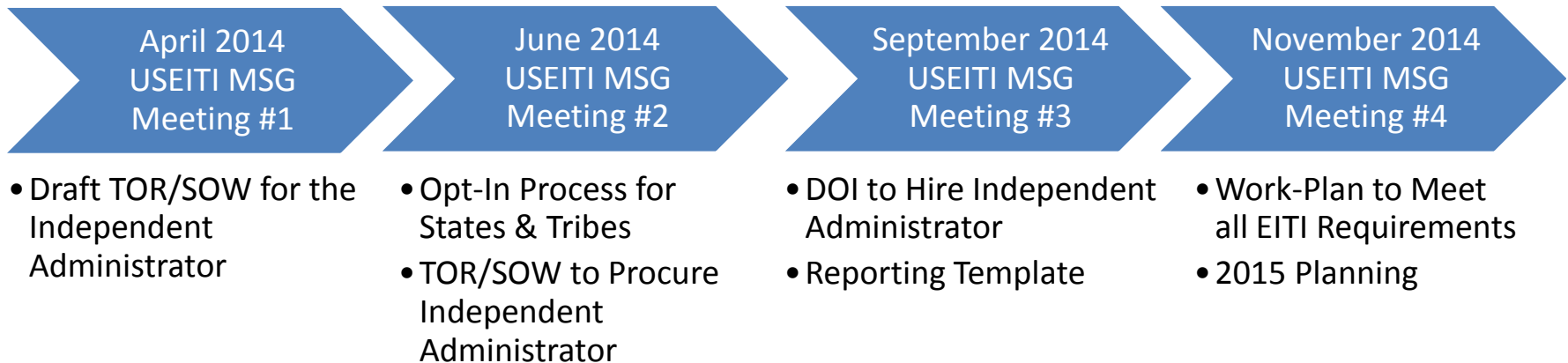




# USEITI Implementation Schedule



## 2014 USEITI MSG Work Plan





# EITI Reports

- Publicly Sourced Narrative
- Unilateral Disclosure from the Federal Government
- 3<sup>rd</sup> Party Reconciliation



## **Publicly Sourced Narrative**

- Will provide easy access to available data available from U.S. government agencies and other authoritative sources.
  - Gives context and a well-rounded picture of the extractive industries in the U.S.
- Include information for additional types of natural resources that will not be reconciled under USEITI.
- Consistent with the goals and standards established by the September 20, 2011, U.S. National Action Plan for the Open Government Partnership.



## **Unilateral Disclosure**

- Disclosure of complete, reliable data
- Disaggregated by commodity, company, revenue stream, and by project
- 100% of extractive revenues collected by Interior that are determined to be within scope by the MSG



## Reconciliation

- Compare companies payment data to government revenue data
- Relevant U.S. Federal Government revenues include rents, royalties, bonuses, and fees collected by:
  - Bureau of Land Management (BLM),
  - Office of Natural Resources Revenues (ONRR),
  - Office of Surface Mining Reclamation and Enforcement (OSM)
- Federal tax revenues will be included, but the MSG is still working on the details



## State Revenue

- 33 U.S. states produce oil, gas, or coal, and almost every state produces non-fossil minerals
- Many states have larger mineral extractive sectors than some EITI countries. (e.g., Texas produces more natural gas than Norway).
- Each state has a unique taxation and royalty system, revenue-collection regime, and reporting process.



## States: Two-phased approach

- Phase I: The USEITI Report will include publically available information about revenues collected directly by states.
- Phase II: Involves encouraging states and tribes to fully participate in USEITI through a voluntary “**opt-in**” process.



## Benefits for the Government

- Improve US Government reporting
  - Accuracy
  - Ease of use
- Increase public awareness of the State and Federal income generated by extractive industries.
- Support the Obama Administration in improving oversight of natural resources development on public and Native American lands
  - Past problems include the various suits against DOI's trust accounting for Native Americans.
- Build relationships across sectors



## **Benefits for Civil Society**

- Create access via annual reports to information on revenues produced by extractives
- Make federal extractives revenue data more easily accessible and comprehensible.
- Provide access to data that is relevant to local and regional residents, civil society organizations, tribal governments and communities, and state, county, and local governments.



## Benefits for Industry

- Demonstrate the substantial contributions of gas, oil, mining, and other extractive companies to the federal government and economy as a whole
- Provide an independent source of verification for revenues
- Showcase the extractives industry as open, transparent, and a good corporate citizen
- Strengthen public confidence in the extractive industry's benefits to the United States



# Questions and Comments



For more information about  
USEITI,  
please visit  
[www.doi.gov/eiti](http://www.doi.gov/eiti)

For more information about  
the EITI International  
Standard, please visit  
[www.eiti.org](http://www.eiti.org)

## **SECTOR CONTACT INFORMATION**

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